

# Rural Utilities Service Programs

## Telecommunications Infrastructure Loans & Loan Guarantees

### Investing in Rural America's Future

The Telecommunications Loan Program improves the quality of life in rural America by providing investment capital, in the form of loans, for the deployment of rural telecommunications infrastructure.

The U.S. Department of Agriculture's (USDA) Telecommunications Loan Program is administered by USDA Rural Development's Utilities Programs. To achieve the goal of increasing economic opportunity in rural America, the program finances infrastructure that enables access to a seamless, nationwide telecommunications network. With access to the same advanced telecommunications networks of its urban counterparts especially broadband networks designed to accommodate distance learning, telework, and telemedicine - rural America will see improved educational opportunities, health care, safety, and security. Ultimately, this should lead to higher employment. USDA is committed to ensuring that rural areas have access to affordable, reliable, advanced telecommunications services, comparable to those available throughout the rest of the United States, to provide a healthy, safe, and prosperous place to live and work.

Through this program, billions have been invested in improved telecommunications services to rural subscribers.

### Who Is Eligible?

Financial assistance is provided to: Rural utilities; municipalities; commercial corporations; limited liability companies; public utility districts; Indian tribes; and

cooperative, nonprofit, limited-dividend, or mutual associations.

### How May Funds Be Used?

Loan funds may be used to finance telecommunications services in rural areas for:

- New construction;
- Improvements;
- Expansions;
- Acquisitions (some restrictions apply-cost of acquisition must be incidental to cost of improvements in loan);
- Refinancing (some restrictions apply-amount refinanced cannot exceed 40 percent of loan amount).

### What Types of Loans Are Available?

- Cost-of-Money loans at current U.S. Treasury rates, depending on loan maturity at the time of each advance.
- Guaranteed loans from the Federal Financing Bank (FFB). Interest rates (Treasury rate plus 1/8th percent), vary depending on call options and the interim maturity rate selected at each advance, which may be as short as 90 days, with auto-rollover.
- Hardship loans at a fixed rate of 5 percent interest. Current rates are published online at <http://www.federalreserve.gov/releases/h15/Current/> (scroll down to "Treasury Constant Maturities"). To determine FFB rates, add 0.125 percent to the Treasury Constant Maturities figures.

## For More Information

For more information or to obtain an application packet, visit the website at: <http://www.rd.usda.gov/programs-services/telecommunications-infrastructure-loans-loan-guarantees>

Or write to your local or State USDA Rural Development office (see the U.S. Government listing in your phone directory under U.S. Department of Agriculture), or the National Office at:

USDA Rural Development Telecommunications Staff  
U. S. Department of Agriculture  
1400 Independence Ave., S.W., Room 5151  
Mail STOP 1590.  
Washington D.C. 20250-1590  
Phone: (202) 720-9556  
Fax: (202) 720-0810

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NOTE: Because citations and other information may be subject to change, please always consult the program instructions listed in the section above titled "What Law Governs this Program?" You may also contact us at 202-720-9556 for assistance.

**You will find additional forms, resources, and program information at [www.rd.usda.gov](http://www.rd.usda.gov)**